



TENNESSEE ECONOMIC & COMMUNITY DEVELOPMENT  
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## COMMISSIONER AT WORK

A few highlights of Commissioner Kisber's most recent activities.

### Speaking Engagements/Events:

**Shelbyville Rotary Club**, *Shelbyville, TN*  
**Governor's Conference**, *Nashville, TN*  
**Leadership Middle Tennessee**, *Alumni, Nashville, TN*  
**ThyssenKrupp Waupaca groundbreaking event**, *Etowah, TN*  
**Coca-Cola Bottling Co. 100 Year Anniversary**, *Cleveland, TN*  
**Dickson High Noon Rotary Club**, *Dickson, TN*  
**Green Hills Rotary Club Breakfast**, *Nashville, TN*  
**Red Carpet Tour**, *Chattanooga, TN*  
**Verizon Groundbreaking Event**, *Franklin, TN*  
**Millington Chamber of Commerce Membership Meeting**, *Millington, TN*  
**Hardin County Business & Industry Appreciation Dinner**

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## ECD Announcements

• **Aisin Automotive Casting Tennessee, Inc.** broke ground Sept. 10 on a \$67 million expansion to the company's facility in Clinton, Tenn., doubling the size of its current manufacturing operations in the area and adding approximately 160 new jobs to the community. Aisin in Clinton is a sister facility to Aisin Automotive Casting located in London, Ky. and opened in early 2004, employing more than 300 people.

• **ThyssenKrupp Waupaca, Inc.** broke ground Sept. 24 on a \$162 million expansion to the company's operations in Etowah, Tenn., doubling the size of its current facility and adding more than 100 new jobs to the community. ThyssenKrupp Waupaca, which opened in Etowah in 2001, produces gray and ductile iron castings for automobiles.

• **Verizon Wireless** broke ground Oct. 4 on a \$54 million regional headquarters facility in Franklin. The company will hire 600-700 new employees at the state headquarters over the next three to five years. The company currently employs 2,200 people in the Middle Tennessee area, and 550 Verizon Wireless employees will relocate to the 180,000 sq. ft. facility when it is fully operational in 2008.

## Rural Opportunity

(Continued from Page 1)

Finally, Bredesen promoted the idea of "Orange Carpet Tours," the rural community's chance to host site selection consultants who are scouting locations for their clients' expansions. The communities will receive feedback from the consultants so they can improve for future opportunities.

"I think it's a win-win situation," Bredesen said. "The consultants learn about what the community has to offer, and the community gets an assessment about their strengths and weaknesses and can use that to improve."

Throughout his speech Bredesen reiterated his belief in the potential for rural development, even as he spoke frankly about the challenges rural communities face. Through the concentrated effort of ROI, the Rural Opportunity Fund and the Orange Carpet Tours, Bredesen said he believes rural communities will begin to experience economic growth previously confined largely to urban and suburban areas.

## China

(Continued from Page 1)

"China has demonstrated a willingness to purchase chemicals, electronics and manufactured goods from Tennessee," Bredesen said. "I believe having a permanent economic development presence in China is a good start toward a stronger trade relationship."

The trade mission began in Beijing on October 16, was followed by a visit to Shanghai and ended in Hong Kong on October 24. A broad cross section of business, education and health care leaders joined Governor Bredesen on the trip, which included meetings with Chinese healthcare professionals and university officials.

Memphis-based West Clinic International, a recognized leader in cancer care, announced the opening of West Clinic International Shanghai during the trip. The 7,000 square foot, state-of-the-art facility is being opened in collaboration with Shanghai Kanglian Hospital and will provide 'Western-style' cancer care.

# DEVELOPMENTS

## NEWS FROM TENNESSEE ECD

## Rural Opportunity Initiative Plan includes tax incentives, venture capital funding

Governor Phil Bredesen is proud of the economic progress Tennessee has made during his tenure, but he believes the state can do more. That's why he rolled out a new strategy during his speech at the Annual Governor's Conference in Nashville Sept. 13 to ramp up business development and create higher skilled, better paying jobs in rural parts of the state.



Governor Bredesen delivers his address at the 54th Annual Governor's Conference.

The first element of the program is the Rural Opportunity Initiative, which provides companies increased tax credits if they relocate or expand in Tennessee counties most in need of economic growth.

"We want to aggressively utilize this expanded jobs tax credit in those rural counties to spur job growth," Bredesen said.

Secondly, Bredesen announced the creation of the Rural Opportunity Fund, a venture capital fund controlled by the state but bolstered largely by private capital, that will help existing businesses in rural areas expand.

"It really is an innovative partnership, and I'm excited about the opportunities that are going to happen for small and independent businesses right here in Tennessee," Bredesen said.

(See Rural Opportunity, Page 4)

## Governor, Commissioner Lead Delegation to Open Trade Office in China

Governor Phil Bredesen and ECD Commissioner Matt Kisber led a trade delegation to China for nine days in mid-October to open the state's first-ever economic development office in Beijing. The Tennessee-China Development Center will serve as a clearinghouse for information about business opportunities in China for Tennessee companies



Shanghai

and will raise Tennessee's profile among Asian companies seeking to invest in the U.S. market.

The U.S.-China Business Council recently listed Tennessee as the fastest growing state in the nation in terms of trade with China. Five years ago, Chinese customers purchased less than \$200 million dollars worth of Tennessee goods and services. Today, that trade relationship is worth \$1.8 billion dollars, making China Tennessee's third largest trading partner behind Canada and Mexico. Since the year 2000, Tennessee exports to China have grown 1,103 percent.

(See China, Page 4)

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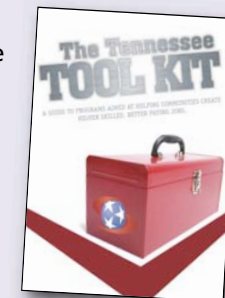
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## ECD Releases Comprehensive Guide to Grants and Incentives

Tennessee offers a wide array of job creation incentives to prospective employers, and many of those incentives are recent additions to the state's economic development arsenal. In light of these promising changes, ECD released the Tennessee Tool Kit at the Governor's Conference on Sept. 12 and 13, and it is now available to be downloaded online at [www.tnecd.gov](http://www.tnecd.gov).

The Tool Kit is a comprehensive resource guide that includes information on all of ECD's programs: Three-Star Community Development, Tennessee Main Street Program, Retire Tennessee, FastTrack and BERO. The guide also offers detailed information about the various grants, loans and tax credits available through ECD, including Governor Bredesen's new Rural Development Strategy.

The Tool Kit brings together Tennessee's greatest selling points for businesses looking to expand or relocate, rolled into a single, manageable resource.





## COMMISSIONER'S CORNER

Tennessee is on the cusp of explosive economic growth, and business professionals across the country are starting to take notice. The potential for development is unprecedented, as this year's numerous significant jobs announcements prove.



to have a seat at the global table, but that kind of international presence doesn't happen simply by wishing. The Governor and I are challenging communities to think outside their comfort zones in terms of partnering with overseas businesses and governments, honestly evaluating the caliber of their leadership and boldly confronting issues like educational attainment and widespread access to broadband Internet.

As we take the steps toward becoming a major player in the global economic landscape, let's stay grounded in the basic fundamental requirements that growth demands of us all. By taking an honest look at where we are now, we can ensure that we'll develop the right tools to move forward in the future.

*Matthew Kisber*

— Matthew Kisber  
Commissioner, Tennessee Department of  
Economic & Community Development

It is possible for rural communities

## Tennessee: A Global Contender

Tennessee is no stranger to foreign economic opportunities. As home to more than 641 foreign companies, the state has received \$23 billion in foreign investment, directly creating 138,000 jobs across the state and linking some 600,000 others to foreign trade. Tennessee has also produced \$22 billion in exports to global markets in 2006.

The opportunities are abundant, and Governor Bredeesen believes the time to act is now. It is in this spirit that Governor Bredeesen led a trade mission to China this fall, that ECD is actively recruiting businesses from Asia, Europe and North America to relocate or expand here and that

small business owners are receiving advice and encouragement as they decide to go global.

By offering programs, such as the Governor's Award for Trade Excellence, and guidance, such as the resources and assistance offered through ECD, Governor Bredeesen is sending a clear message to everyone, from corporate CEOs to small business owners: You can expand your business to include profitable foreign exports.

The potential is ripe for booming global trade into and out of Tennessee. Business owners, with the help of policymakers, simply have to recognize that potential and find strategic ways to tap into it.

## Governor's Conference A Success

The Governor's Conference on Economic and Community Development happens every year in Tennessee, but this year's conference was anything but routine.

Governor Phil Bredeesen rolled out his new strategy for rural development and promoted the Tennessee Tool Kit.

The more than 700 conference participants also benefited from the keynote address, delivered by Tom Oreck, president and CEO of Oreck Corporation. Oreck drew from his experience in the business world, which spans more than three decades, to give advice to his audience.

Oreck's speech focused on the importance of building a family atmosphere in a company, a value he learned in a poignant way after Oreck's headquarters in New Orleans were devastated by Hurricane Katrina.

"The business was about people," he told the crowd. "The business could wait. The people could not, quite literally."

Oreck described the efforts the corporation went through to return life to normal – everything from clearing the roads of debris to trucking in food for a makeshift city built on the company's campus.



Tom Oreck delivers the keynote address at the 54th Annual Governor's Conference.

This year's conference, themed "From Paper to Power," represented an important success because of how far Tennessee has come in the last year. But, as Governor Bredeesen was quick to remind the attendees during his speech, the real challenge and opportunity lay in where we're going.

## First Annual GATE Award Winners Excel at Overseas Trade

Governor Phil Bredeesen and ECD Commissioner Matt Kisber announced the recipients of the first Governor's Awards for Trade Excellence at the Governor's Conference Sept. 13. The GATE honors large, medium and small companies who have achieved excellence in engaging in global trade.

"These winners show that expanding the market for Tennessee products can be done by any size company," Commissioner Kisber said. "We hope that by showcasing their best practices, other companies will be encouraged to expand their operations in the global marketplace."

Astec Underground, winner in the large company category, is a manufacturer of underground construction equipment and entrenching machines ranging from "walk behind" machines to the world's largest trencher, capable of digging an 8-foot wide by 30-foot deep opening in one pass.

Approximately 40 percent of the company's sales are to foreign customers.

FujiFilm Hunt Chemicals, winner in the medium company category, manufactures materials for photographic papers, developers, emulsions for graphics, sealants, polymers and the custom manufacturing of organic chemicals. The company co-promotes its products with Fuji in the Asia/Japanese market and is Fuji's sole source for a major component of its photographic paper worldwide.

Rosalee WomenSize Apparel, winner in the small company category, custom designs and manufactures plus-sized women's clothing. Utilizing an Internet and E-Bay-based strategy, the company has strong customer bases in the U.K., Canada, Australia and the Caribbean. Rosalee WomenSize Apparel received a "Rising Star" award from the Tennessee Small Business Development Center in 2006.



Angela Fox - Astec Underground



John Sidenstick - FujiFilm Hunt Chemicals



Rosalee Bellamy - Rosalee WomenSize Apparel

## State Becoming Leader in Biofuels

The scramble to develop and distribute practical alternative fuels is in full effect nationwide as many states try and distinguish themselves as the energy pacesetters of the future. Tennessee is ahead of the curve in the South's push to become more self-sufficient in terms of energy needs.

In June 2007, the federal government chose Oak Ridge National Laboratory as one of only three sites in the county for a \$125 million new bioenergy research center.

The University of Tennessee and Oak Ridge National Laboratory have also begun experimenting with switchgrass, a low-maintenance alternative fuel source resistant to extreme weather and poor soil.

UT has purchased all available switchgrass seed in the country for further research, and East Tennessee farmers already have fields of the crop planted.

Governor Bredeesen has engaged his Alternative Fuels Working Group to create an energy plan that will take the state to the next level in biofuel production, distribution and use. Tennessee also joins 26 other states in committing to the "25 by '25" plan, which aims to have 25 percent of the energy consumed in America produced by domestic farms, ranches and forests by 2025.

October is Energy Month in Tennessee, and Governor Bredeesen is encouraging all Tennesseans to observe the occasion by changing at least one lightbulb in their house to an ENERGY STAR qualified light bulb.

If every Tennessean replaced one bulb, the state would save close to \$9 million in energy costs, prevent greenhouse gases equivalent to the emissions of nearly 16,000 cars from Tennessee roadways and save enough energy to light all the households in the city of Nashville for nearly 100 days.

### TTDC Names New President, Board After Restructuring

Governor Phil Bredeesen announced at the annual Governor's Conference Sept. 13 that his administration has restructured the Tennessee Technology Development Corporation.

That restructuring began with the appointment of a new board, with an emphasis on members who come from strong technology and entrepreneurial backgrounds. Eric Cromwell was selected as the president of the group, an appointment that Bredeesen said he was pleased to announce.

The state will be launching with Innovation Tennessee, a program that includes \$5 million in seed capital to help innovative new businesses get off the ground, and to help the state's universities and laboratories make their ideas viable in the commercial world.